

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 3214</b>	<b>Date: March 11, 2015</b>
	<b>Change Request 9100</b>

**Transmittal 3212, dated March 06, 2015, is being rescinded and replaced by Transmittal 3214, dated March 11, 2015 to correct the short descriptor for Q9975. All other information remains the same.**

**SUBJECT: April 2015 Update of the Ambulatory Surgical Center (ASC) Payment System**

**I. SUMMARY OF CHANGES:** This Recurring Update Notification describes changes to billing instructions for various payment policies implemented in the April 2015 ASC payment system update. This Recurring Update Notification applies to chapter 14, section 10. As appropriate, this notification also includes updates to the Healthcare Common Procedure Coding System (HCPCS).

Many ASC payment rates under the ASC payment system are established using payment rate information in the Medicare Physician Fee Schedule (MPFS).

**EFFECTIVE DATE: April 1, 2015**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: April 6, 2015**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)**

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 3214	Date: March 11, 2015	Change Request: 9100
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**SUBJECT: April 2015 Update of the Ambulatory Surgical Center (ASC) Payment System**

**EFFECTIVE DATE: April 1, 2015**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: April 6, 2015**

## **I. GENERAL INFORMATION**

**A. Background:** This Recurring Update Notification describes changes to billing instructions for various payment policies implemented in the April 2015 ASC payment system update and includes updates to the Healthcare Common Procedure Coding System (HCPCS). This Recurring Update Notification applies to chapter 14, section 10.

### **B. Policy:**

#### **1. New Device Pass-Through Category and Device Offset from Payment**

Additional payments may be made to the ASC for covered ancillary services, including certain implantable devices with pass-through status under the outpatient prospective payment system (OPPS). Section 1833(t)(6)(B) of the Social Security Act (the Act) requires that, under the OPPS, categories of devices be eligible for transitional pass-through payments for at least 2, but not more than 3 years. Section 1833(t)(6)(B)(ii)(IV) of the Act requires that we create additional categories for transitional pass-through payment of new medical devices not described by current or expired categories of devices. This policy was implemented in the 2008 revised ASC payment system.

CMS is establishing one new HCPCS device pass-through category as of April 1, 2015 for the OPPS and the ASC payment systems. Table 1 provides a listing of new coding and payment information concerning the new device category for transitional pass-through payment. HCPCS code C2623 (Catheter, transluminal angioplasty, drug-coated, non-laser) is assigned ASC PI= J7 (OPPS pass-through device paid separately when provided integral to a surgical procedure on ASC list; payment contractor-priced). (see Attachment A: Policy Section Tables).

**a. Device Offset from Payment:** The C2623 device should always be billed with CPT Code 37224 (Revascularization, endovascular, open or percutaneous, femoral, popliteal artery(s), unilateral; with transluminal angioplasty), or CPT Code 37226 (Revascularization, endovascular, open or percutaneous, femoral, popliteal artery(s), unilateral; with transluminal stent placement(s), includes angioplasty within the same vessel, when performed). We have determined that a portion of the OPPS payment associated with the cost of HCPCS code C2623 is reflected in the OPPS payment for CPT codes 37224 and 37226. The ASC Code Pair File will be used to establish the reduced ASC payment amount for CPT codes 37224 (23.86% reduction) and 37226 (40.43% reduction) only when billed with HCPCS code C2623.

**b. Billing Instructions for CPT codes 37224 and 37226:** Pass-through category C2623 (Catheter, transluminal angioplasty, drug-coated, non-laser), is to be billed and paid for as a pass-through device only when provided with CPT Code 37224 (Revascularization, endovascular, open or percutaneous, femoral, popliteal artery(s), unilateral; with transluminal angioplasty), or CPT Code 37226 (Revascularization, endovascular, open or percutaneous, femoral, popliteal artery(s), unilateral; with transluminal stent placement(s), includes angioplasty within the same vessel, when performed) beginning on and after the

effective date for C2623 of April 1, 2015.

## **2. New Service**

No New services have been assigned for payment in the ASC payment system effective April 1, 2015.

## **3. Drugs, Biologicals, and Radiopharmaceuticals**

### **a. New April 2015 HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals.**

For April 2015, six new HCPCS codes have been created in Table 2 for reporting drugs and biologicals in the ASC setting, where there have not previously been specific codes available. (see Attachment A: Policy Section Tables).

### **b. Drugs and Biologicals with Payments Based on Average Sales Price (ASP) Effective April 1, 2015**

For CY 2015, payment for nonpass-through drugs, biologicals and therapeutic radiopharmaceuticals is made at a single rate of ASP + 6 percent, which provides payment for both the acquisition cost and pharmacy overhead costs associated with the drug, biological or therapeutic radiopharmaceutical. In CY 2015, a single payment of ASP + 6 percent for pass-through drugs, biologicals and radiopharmaceuticals is made to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items. Payments for drugs and biologicals based on ASPs will be updated on a quarterly basis as later quarter ASP submissions become available. Updated payment rates effective April 1, 2015 can be found in the April 2015 ASC Addendum BB on the CMS Web site at: [http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11\\_Addenda\\_Updates.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates.html).

## **4. Drugs and Biologicals Based on ASP Methodology with Restated Payment Rates**

Some drugs and biologicals based on ASP methodology may have payment rates that are corrected retroactively. These retroactive corrections typically occur on a quarterly basis. The list of drugs and biologicals with corrected payments rates will be accessible on the CMS Web site on the first date of the quarter at <http://cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/index.html>

Suppliers who think they may have received an incorrect payment for drugs and biologicals impacted by these corrections may request contractor adjustment of the previously processed claims.

### **a. Revised ASC Payment Indicator for HCPCS Codes J0365**

Effective April 1, 2015, the ASC payment indicator for HCPCS code J0365 (Injection, aprotonin, 10,000 kiu) will change from K2 to Y5. This code is listed in Table 3 along with the effective date for the revised status indicator (see Attachment A, Policy Section Tables).

### **b. Other Changes to CY 2015 HCPCS Codes for Certain Drugs, Biologicals, and Radiopharmaceuticals**

Effective April 1, 2015, HCPCS code Q9975 Factor VIII FC Fusion Recomb will replace HCPCS code C9136 Factor viii (Eloctate). The payment indicator for Q9975 will remain K2. Code C9136 has a termination date of March 31, 2015.

Table 4 describes the HCPCS code change and effective date for Q9975 (see Attachment A, Policy Section Tables).

## **5. Billing Guidance for Corneal Allograft Tissue**

ASCs can bill for corneal allograft tissue used for coverage (CPT code 66180) or revision (CPT code 66185) of a glaucoma aqueous shunt with HCPCS code V2785. Contractors pay for corneal tissue acquisition reported with HCPCS code V2785 based on acquisition/invoice cost.

## 6. Coverage Determinations

The fact that a drug, device, procedure or service is assigned a HCPCS code and a payment rate under the ASC payment system does not imply coverage by the Medicare program, but indicates only how the product, procedure, or service may be paid if covered by the program. Medicare Administrative Contractors (MACs) determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs determine that it is reasonable and necessary to treat the beneficiary's condition and whether it is excluded from payment.

## 7. Attachments

### Attachment A: POLICY SECTION TABLES

## II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			D M E  M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
9100.1	Contractors shall download and install the April 2015 ASCFS from the CMS mainframe.  FILENAME:  MU00.@BF12390.ASC.CY15.FS.APRA.V0302  NOTE: The April 2015 ASCFS is a changes only file.  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X						VDCs	
9100.2	Medicare contractors shall download and install the April 2015 ASC DRUG file.  FILENAME:  MU00.@BF12390.ASC.CY15.DRUG.APRA.V0320  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X						VDCs	

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
9100.3	Medicare contractors shall download and install the April 2015 ASC PI file.  FILENAME:  MU00.@BF12390.ASC.CY15.PI.APRA.V0302  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X						VDCs	
9100.4	Medicare contractors shall download and install the April 2015 ASC Code Pair file.  FILENAME:  MU00.@BF12390.ASC.CY15.CPAIR.APRA.V0302  <b>NOTE: The April 2015 ASC Code Pair file is a changes only file.</b>  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X						VDCs	
9100.5	If released by CMS, Medicare contractors shall download and install the revised January 2015 ASC DRUG file.  FILENAME:  MU00.@BF12390.ASC.CY15.DRUG.JANB.V0320  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X						VDCs	
9100.5.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service January 1, 2015- March 31, 2015 and ;		X							

Number	Requirement	Responsibility								
		A/B MAC			D M E  M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	2) Were originally processed prior to the installation of the revised January 2015 ASC DRUG File.									
9100.6	If released by CMS, Medicare contractors shall download and install the revised July 2014 ASC DRUG file.  FILENAME:  MU00.@BF12390.ASC.CY14.DRUG.JULD.V0320  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X						VDCs	
9100.6.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service July 1, 2014- September 30, 2014 and ;  2) Were originally processed prior to the installation of the revised July 2014 ASC DRUG File.		X							
9100.7	If released by CMS, Medicare contractors shall download and install the revised October 2014 ASC DRUG file.  FILENAME:  MU00.@BF12390.ASC.CY14.DRUG.OCTC.V0320  <b>NOTE: Date of retrieval will be provided in a separate email communication from CMS.</b>		X						VDCs	
9100.7.1	Medicare contractors shall adjust as appropriate claims brought to their attention that:  1) Have dates of service October 1, 2014- December 31, 2014 and ;		X							

Number	Requirement	Responsibility								
		A/B MAC			D M E  M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	2) Were originally processed prior to the installation of the revised October 2014 ASC DRUG File.									
9100.8	Contractors and CWF shall add TOS F for HCPCS included in attachment A, tables 1-2, and 4, effective for services April 1, 2015 and later payable in the ASC setting.		X						X	
9100.9	Contractors and CWF shall end date HCPCS C9136 in their systems effective March 31, 2015.		X						X	
9100.10	CWF, as appropriate, shall remove the TOS F records for HCPCS C9136 effective March 31, 2015.								X	
9100.11	Contractors shall make April 2015 ASCFS fee data for their ASC payment localities available on their web sites.		X							

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
9100.12	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.		X			

### IV. SUPPORTING INFORMATION

#### Section A: Recommendations and supporting information associated with listed requirements:

*"Should" denotes a recommendation.*

<b>X-Ref Requirement Number</b>	<b>Recommendations or other supporting information:</b>
1	Attachment A: POLICY SECTION TABLES
2	Attachment A: POLICY SECTION TABLES
3	Attachment A: POLICY SECTION TABLES
8	Attachment A: POLICY SECTION TABLES
9	Attachment A: POLICY SECTION TABLES
10	Attachment A: POLICY SECTION TABLES

**Section B: All other recommendations and supporting information:** N/A

## **V. CONTACTS**

**Pre-Implementation Contact(s):** Chuck Braver, 410-786-6719 or [chuck.braver@cms.hhs.gov](mailto:chuck.braver@cms.hhs.gov) (ASC Payment Policy) , Yvette Cousar, 410-786-2160 or [yvette.cousar@cms.hhs.gov](mailto:yvette.cousar@cms.hhs.gov) (Carrier/ AB MAC Claims Processing Issues) , Mark Baldwin, 410-786-8139 or [mark.baldwin@cms.hhs.gov](mailto:mark.baldwin@cms.hhs.gov) (Carrier/ AB MAC Claims Processing Issues)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

## **VI. FUNDING**

### **Section A: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**ATTACHMENTS: 1**



## POLICY SECTION TABLES

Table 1 – New Device Pass-Through Code HCPCS

HCPCS	Short Descriptor	Long descriptor	ASC PI
C2623	Cath, translumin, drug-coat	Catheter, transluminal angioplasty, drug-coated, non-laser	J7

Table 2 – New April 2015 HCPCS Codes Effective for Certain Drugs, Biologicals, and Radiopharmaceuticals

HCPCS Code <sup>1</sup>	Long Descriptor	Short Descriptor	ASC PI
C9445	Injection, c-1 esterase inhibitor (recombinant), Ruconest, 10 units	C-1 esterase, Ruconest	K2
C9448	Netupitant 300mg and palonosetron 0.5 mg, oral	Oral netupitant palonosetron	K2
C9449	Injection, blinatumomab, 1 mcg	Inj, blinatumomab	K2
C9450 <sup>2</sup>	Injection, fluocinolone acetonide intravitreal implant, 0.01 mg	Fluocinolone acetonide implt	K2
C9451	Injection, peramivir, 1 mg	Injection, peramivir	K2
C9452	Injection, ceftolozane 50 mg and tazobactam 25 mg	Inj, ceftolozane/tazobactam	K2

**Notes:**

- HCPCS codes listed in Table 2 are new codes effective April 1, 2015.
- HCPCS code C9450 is associated with Iluvien<sup>®</sup> and should not be used to report any other fluocinolone acetonide intravitreal implant (e.g., Retisert<sup>®</sup>). ASCs should note that the dosage descriptor for Iluvien is 0.01 mg. Because each implant is a fixed dose containing 0.19 mg of fluocinolone acetonide, ASCs should report 19 units of C9450 for each implant.

Table 3 – Drugs and Biologicals with Revised ASC Payment Indicators

HCPCS Code	Long Descriptor	ASC PI	Effective Date
J0365	Injection, aprotonin, 10,000 kiu	Y5	4/1/2015

Table 4 – New HCPCS Codes for Certain Drugs and Biologicals Effective April 1, 2015

HCPCS Code	Short Descriptor	Long Descriptor	ASC PI	Added Date
Q9975	Factor VIII FC Fusion Recomb	Injection, factor viii, fc fusion protein, (recombinant), per i.u.	K2	04/01/2015